

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

IN RE OPIOID LITIGATION

Index No.: 4000000/2017
Part 48
Hon. Jerry Garguilo

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

THE PEOPLE OF THE STATE OF NEW YORK,
by Letitia James, Attorney General of the State of
New York,

Plaintiff,

-against-

PURDUE PHARMA L.P., *et al.*,

Defendants.

Index No.: 4000016/2018
Part 48
Hon. Jerry Garguilo

**AFFIRMATION OF
JENNIFER SIMCOVITCH IN
OPPOSITION TO MOTIONS TO
QUASH AND IN SUPPORT OF
THE ATTORNEY GENERAL'S
CROSS-MOTION TO COMPEL
AND MOTION FOR THE
ISSUANCE OF LETTERS
ROGATORY**

JENNIFER SIMCOVITCH, hereby affirms the following under penalties of perjury pursuant to CPLR 2106:

1. I am an attorney duly admitted to practice in the courts of the State of New York and am an Assistant Attorney General at the New York State Office of the Attorney General.

2. I make this affirmation in opposition to the motions to quash the State's non-party subpoenas by Purdue Pharma L.P., The Purdue Frederick Company Inc., Purdue Pharma Inc., and The P.F. Laboratories, Inc. ("Purdue Defendants"), Defendant The Beacon Company ("Beacon"), Defendant Rosebay Medical Company, L.P. ("Rosebay"), Beverly Sackler, David A. Sackler, Ilene Sackler Lefcourt, Jonathan D. Sackler, Kathe A. Sackler, Mortimer D.A. Sackler, Richard S. Sackler, and Theresa Sackler (the "Sackler Defendants"), and the Non-Parties, and in support of the State's Cross-Motion to Compel and the State's Motion for the Issuance of Letters Rogatory.

3. I make this affirmation on the basis of personal knowledge, my review of documents and information made available in this litigation, and my office's review of publicly-available materials and other inquiries.

Information Relating to the Financial Institution Subpoenas

4. Based on a review of documents produced by the Purdue Defendants, as well as a review of public records and filings made with the Attorney General's office, the State identified specific financial institutions likely to have financial information relating to the Purdue Defendants and the Sackler Defendants. Each of Bank of America, N.A., Charles Schwab & Co., Inc., Citibank, N.A., Goldman Sachs & Co. LLC, HSBC Bank USA, N.A., J.P. Morgan Chase Bank, N.A., Morgan Stanley & Co. LLC, UBS Financial Services, Inc., and Wells Fargo were identified as institutions with documents relevant to the State's causes of action against Purdue and the Sacklers.

5. The State subsequently was informed by UBS Financial Services, Inc. and HSBC Bank USA, N.A. that each institution had additional ties to the Sackler Defendants and the Purdue Defendants; UBS Financial Services, Inc. and HSBC Bank USA, N.A. therefore requested an additional subpoena for UBS Bank USA and HSBC Securities USA, Inc., respectively.

6. The Non-Party financial institutions have not themselves sought to challenge the subpoenas on the basis that they fail to comply with CPLR 3101(a)(4).

7. However, in communicating with a number of the financial institutions that received subpoenas, the State voluntarily provided such context. On Tuesday, August 13, 2019, in a conversation regarding the State's subpoena to Goldman Sachs & Co. LLC, David Nachman and I spoke with Marla Crawford, of Goldman Sachs. During that conversation, Ms. Crawford

was advised of the purpose of the subpoena and provided an explanation of the State's fraudulent conveyance claims against the Purdue Defendants and the Sackler Defendants.

8. On Wednesday, August 21, 2019, I spoke with Julie Fine and Samantha Kline, of UBS, regarding the State's subpoenas to UBS Financial Services, Inc. and UBS Bank USA. During that conversation, Ms. Fine and Ms. Kline were advised of the purpose of the subpoena and provided an explanation of the State's fraudulent conveyance claims against the Purdue Defendants and the Sackler Defendants.

9. On Thursday, August 22, 2019, I spoke with Brian Jenks and Matthew Haws, of Morgan Stanley, regarding the State's subpoena to Morgan Stanley & Co. LLC. During that conversation, Mr. Jenks and Mr. Haws were advised of the purpose of the subpoena and provided an explanation of the State's fraudulent conveyance claims against the Purdue Defendants and the Sackler Defendants.

10. On Wednesday, August 28, 2019, I spoke with Kruti Trivedi, of Chase, regarding the State's subpoena to J.P. Morgan Chase Bank, N.A. During that conversation, Ms. Trivedi was advised of the purpose of the subpoena and provided an explanation of the State's fraudulent conveyance claims against the Purdue Defendants and the Sackler Defendants.

Information Relating to the Non-Party Subpoenas

11. Based on a review of documents produced by the Purdue Defendants and other parties in this and other opioids litigations, as well as a review of publicly available information, the State identified a number of non-party entities and individuals likely to be Sackler-owned or controlled. The individuals and entities so identified include:

- **Linarite Holdings LLC**, a shareholder of Defendant Purdue Pharma Inc.
- **Perthlite Holdings LLC**, a shareholder of Defendant Purdue Pharma Inc.

- **Banella Corporation**, a shareholder of Defendant Purdue Pharma Inc.
- **Moonstone Holdings LLC**, a shareholder of PLP Associates Holdings Inc., which, in turn, is the general partner of Defendant PLP Associates Holdings L.P.
- **Roselite Holdings LLC**, a shareholder of PLP Associates Holdings Inc., which, in turn, is the general partner of Defendant PLP Associates Holdings L.P.
- **Data LLC**, as Trustee under Trust Agreement dated December 23, 1989 FBO the Issue of Richard S. Sackler, M.D., a shareholder of Banella Corporation and a member of Linarite Holdings LLC and Perthlite Holdings LLC.
- **Cornice Fiduciary Management LLC**, as Trustee under Trust Agreement dated December 23, 1989 FBO the Issue of Jonathan D. Sackler, a shareholder of Banella Corporation and a member of Linarite Holdings LLC and Perthlite Holdings LLC.
- **Rosebay Medical Company Inc.**, the general partner of Defendant Rosebay Medical Company L.P.
- **Millborne Trust Company Limited**, as Trustee of the Hercules Trust, an owner of Banella Corporation, Linarite Holdings LLC, and Perthlite Holdings LLC.
- **Stanhope Gate Corporation**, an owner and the managing general partner of Defendant Beacon Company.
- **Heatheridge Trust Company Limited**, an owner of Defendant Beacon Company.
- **BR Holdings Associates L.P.**, an entity owned by the Mortimer D. Sackler and Raymond R. Sackler Family Partnerships and Trusts through its general partner **BR Holdings Associates Inc.**

- **PLP Associates Holdings Inc.**, an entity through which the Mortimer D. Sackler and Raymond R. Sackler Family Partnerships and Trusts own Defendant PLP Associates Holdings L.P.
- **MNP Consulting Limited**, an entity through which the Sackler Defendants exercise control over their global network of companies and through which they approve and recommend the transfer of funds from Defendant Purdue to the Sackler Defendants through intermediary entities. Each of the Sackler Defendants sits on the Board of Directors of MNP Consulting Limited.
- **TXP Services Inc.**, an entity to provide tax and tax compliance services to the Purdue Defendants and a possible alter ego of Purdue. TXP Services Inc. is located at the same address as Purdue.
- **E.R.G. Realty, Inc.**, an entity which serves as the mortgagor of the Sackler family property located at 15 East 62nd Street in New York, NY.
- **Summer Road LLC**, a family office to manage the investments for the Raymond Sackler side of the Sackler family. Summer Road LLC is the office of Defendant Richard S. Sackler and is managed by Defendant David A. Sackler.
- **Stillwater Holdings LLC f/k/a Stillwater LLC**, a family office to manage the investments for the Mortimer Sackler side of the family. Defendant Mortimer D.A. Sackler is the sole member, manager, president, and secretary of Stillwater Holdings LLC.
- **Leslie J. Schreyer**, the manager of Linarite Holdings LLC, Perthlite Holdings LLC, Moonstone Holdings LLC, and Roselite Holdings LLC.

- **Jeffrey A. Robins**, the vice president and assistant secretary of Data LLC and Cornice Fiduciary Management LLC.
- **Stephen A. Ives**, the vice president of Rosebay Medical Company Inc. and Defendant Rosebay Medical Company L.P.
- **Jonathan G. White**, the director of Banela Corporation, Millborne Trust Company, Defendant Beacon Company, Stanhope Gate Corporation, and believed to be the director of Heatheridge Trust Company Limited.

12. Each of Leslie J. Schreyer, Jeffrey A. Robins, and Stephen A. Ives' subpoenas was served with a copy of the State's First Amended Complaint ("Complaint") as an exhibit, providing each individual with notice of the circumstances surrounding the request. A substantially similar subpoena with the State's Complaint would be served on Jonathan G. White.

13. Each of the subpoenas served on Linarite Holdings LLC, Perthlite Holdings LLC, Moonstone Holdings LLC, Roselite Holdings LLC, Data LLC, and Cornice Fiduciary Management LLC were served on and accepted by Leslie J. Schreyer and Jeffrey A. Robins, each of whom received notice via service of their own subpoena, attaching the State's Complaint.

14. As detailed above, the remaining non-party entities are owned or controlled by one or more of the Sackler Defendants; these entities are represented by sophisticated counsel and were provided de facto notice based on the common ownership and/or control of the Defendants and the non-party entities.

Documents Received in Response to the State's Subpoenas

15. The State has received one production from a financial institution ("Institution A")¹ reflecting approximately \$1 billion in wire transfers from and to several of the persons and entities identified by the State in its non-party subpoenas. Through this production, the State has identified 137 transfers from Defendant Beacon Company to Defendant Mortimer D.A. Sackler through Institution A alone, totaling nearly \$20 million. These transfers continued through at least 2018.

16. The State has also identified a newly-discovered entity named "Purdue Pharma Trust MDAS," which wired \$64 million to Defendant Mortimer D.A. Sackler through Institution A and in 2009 alone. The transfers from the Purdue Pharma Trust MDAS entity to Defendant Mortimer D.A. Sackler were made via the entity's Swiss Bank account located in the Bailiwick of Guernsey, in the Channel Islands.

17. In addition, the State has identified a number of additional entities believed to serve as conduits for transfers from Purdue to the Sackler Defendants based only on the limited production provided by Institution A. Specifically, these records disclosed the existence of Cherry Tree Holdings LLC and Central Eight Realty LLC, and show that, at the same time Defendant Mortimer D.A. Sackler was receiving millions in transfers from Defendant Beacon Company, he was redirecting substantial portions of those proceeds to both entities. The State's further investigation revealed that Cherry Tree Holdings LLC, to which Defendant Mortimer D.A. Sackler transferred nearly \$4 million through 272 Institution A wire transfers during the relevant time period, is the owner of a residential property in Amagansett, New York on his behalf. Likewise, Central Eight Realty LLC, to which Defendant Mortimer D.A. Sackler transferred nearly \$40 million through 477 Institution A wire transfers over that same time frame, is the owner of a

¹ The underlying records received from Institution A are being provided to counsel for the Sackler Defendants contemporaneously with this filing.

Manhattan townhouse on East 75th Street on his behalf. Because Defendant Mortimer D.A. Sackler has placed these New York real estate holdings in the name of shell companies, their ownership would have been impossible to detect from publicly available records and without access to financial records.

18. In addition to providing this previously-unknown evidence concerning these additional entities, the Institution A wire transfers also confirm the involvement of Heatheridge Trust Company Limited and Millborne Trust Company Limited, identified in paragraph 11, *supra*. Specifically, the production from Institution A confirms that Heatheridge Trust Company Limited is a trustee of a trust belonging to Defendant Mortimer D.A. Sackler and shows that Heatheridge made at least two wire transfers to Defendant Mortimer D.A. Sackler. Heatheridge's transfers to Defendant Mortimer D.A. Sackler used the same Swiss Bank located in the same Guernsey, Channel Islands office as was used for the transfers from "Purdue Pharma Trust MDAS," referenced in paragraph 16, *supra*. The production from Institution A also confirms that multiple transfers were made from Millborne Trust Company Limited to Defendant Mortimer D.A. Sackler or other related entities, although some of these transfers were first routed through a different Swiss bank in Switzerland before ending up in the same Guernsey, Channel Islands location used for the Heatheridge transfers.

19. The State anticipates that it will add the two entities in paragraph 17, *supra*, as defendants in this action. In addition, a number of other entities have been identified through the production from Institution A, some or all of which may be added as defendants.

Information Related to the State's Motion for the Issuance of Letters Rogatory

20. Banela Corporation is a Jersey-based entity that is incorporated in the British Virgin Islands. Banela Corporation holds all Class A Shares in Defendant Purdue Pharma, Inc. Banela Corporation is also a partial owner of BR Holdings Associates, Inc., which is the general partner of Defendant Pharmaceutical Research Associates L.P. f/k/a Purdue Holdings, L.P., and a partial owner of PLP Associates Holdings, Inc., which is the general partner of Defendant PLP Associates Holdings L.P.

21. Millborne Trust Company Limited is a Jersey-based entity that serves as Trustee of several Sackler-controlled trusts. Millborne Trust Company Limited is an owner of Banela Corporation, as well as an owner of Linarite Holdings LLC and Perthlite Holdings LLC, both based in the United States. Together, Banela Corporation, Linarite Holdings LLC, and Perthlite Holdings LLC own all Class A and Class B Shares in Defendant Purdue Pharma, Inc.


22. Stanhope Gate Corporation is the partial owner and managing general partner of Defendant Beacon Company. Stanhope Gate Corporation is believed to be located in Jersey, Channel Islands.

23. Heatheridge Trust Company Limited is a Jersey-based company that is a partial owner of Defendant Beacon Company. Heatheridge Trust Company Limited shares the same registration address as Millborne Trust Company Limited and shares its headquarters address with Banela Corporation.

24. Jonathan G. White is a resident of Jersey, Channel Islands and has been identified by the State as the director or a principal for a number of Sackler-related entities. These include Banela Corporation, Stanhope Gate Corporation, Millborne Trust Company Limited, and Defendant Beacon Company.

25. The State reached out to counsel for Banela Corporation, Millborne Trust Company Limited, Stanhope Gate Corporation, Heatheridge Trust Company Limited, and Jonathan G. White to confirm their mailing addresses, but received no response. Counsel for those entities have not agreed voluntarily to the production of the information requested by the State.

New York, New York
Dated: September 13, 2019



Jennifer Simcovitch